

REGIONAL WATER MANAGEMENT FOUNDATION

a subsidiary of Community Foundation Santa Cruz County

March 21, 2014

Keith Wallace
Department of Water Resources
Integrated Regional Water Management Program
P.O. Box 942836
Sacramento, CA 94236

RE: IRWM GRANT SOLICITATION PROCESS IMPROVEMENTS

Dear Mr. Wallace:

As the Steering Committee for the Santa Cruz Integrated Regional Water Management Program, we appreciate the opportunity to provide you with the following comments regarding the next round(s) of Integrated Regional Water Management (IRWM) Plan grants through Proposition 84, including the expedited drought relief funding.

Funding through the IRWM program to the Santa Cruz Region has resulted in the implementation of over 90 individual water resources-related projects designed to increase water supply reliability, improve water quality and watershed resources, and conduct better flood management. Funding was derived from both Propositions 50 and 84, with grants administered by both the State Water Resources Control Board and the Department of Water Resources. It is with this success and experience in mind that we provide you with the following comments.

- **Administrative burden:** We support any actions that reduce the cost and administrative burden associated with preparing IRWM funding applications and administering grants. Since the inception of the IRWM program, the regions have been faced with ever-increasing requirements. These costly and resource-consuming requirements are a deterrent to participation that discourage all but the best-resourced stakeholders from participating. **We support a streamlined application process that clearly describes required deliverables and simplifies the requirements for documenting technical and economic feasibility. Similarly, we support a fast-tracked approval of funding awards through DWR hierarchy, and a process that can quickly reimburse regions.**
- **Disadvantaged communities (DACs):** We support targeted funding for DACs through the IRWM Program. However, the existing IRWM application and grant administration process makes it very difficult for DACs to engage in the process. To that end, **we support a separate, targeted IRWM DAC program that streamlines the process and removes the barriers to DAC participation.**
- **Statewide preferences and priorities:** The purpose of IRWM is to enable self-defined regions to determine their priorities and methods through which those priorities are addressed. Local control will be impacted if the State determines the preferences. **Therefore we do not support the prioritization of statewide goals and preferences.**
- **Maximum award amount:** The remaining round(s) of Proposition 84 will likely be extremely competitive, and as such, **we do not support the idea of a winner-take-all approach in our funding area. Rather, we suggest a maximum grant award of \$6.5 to \$10 million if there is only one remaining round of funding; half of those amounts if there will be two rounds.** Likely, the maximum grant awards will need to be set for each funding area given the varying amounts of funding remaining and the levels of competition within the different funding areas.

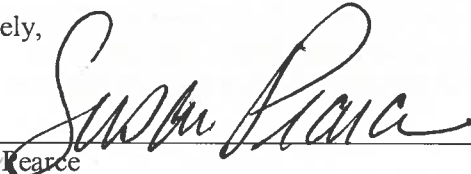
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- Non-drought related projects: The \$200 million in expedited IRWM funds are targeted to drought related impacts, and will likely be allocated disproportionately to water supply projects. The Santa Cruz Region prioritizes multi-benefit projects, some of which that do not have a direct nexus to water supply. **To ensure that the IRWM program continues to include these types of projects and the various stakeholders involved, we urge that priority be given to non-water supply projects for the remainder of IRWM funds.**
- DWR plan approval: Considering the workload associated with the upcoming applications and the plan review process, **we request that DWR plan approval not be required until the time of grant contract execution.**
- Proposal development timeline: **We urge at least a 45 day application period for the preparation of any IRWM funding application.**
- Ecosystem services: **We support the idea of prioritizing or providing bonus points for projects that provide ecosystem benefits.** These types of projects can be left out of IRWM proposals because their benefits can be difficult to quantify and monetize. However, such projects are critical to achieving a truly integrated plan. .
- The Benefit /Cost ratio analysis required for projects is biased in favor of large, infrastructure laden projects and is not an effective tool for the evaluation of water efficiency projects, ecosystem restoration projects and other less intensive infrastructure projects that have the same or similar priorities and outcomes. **We recommend that DWR develop an evaluation tool that sufficiently and fairly evaluates such projects that DWR has indicated are priorities.**

Thank you for considering the County of Santa Cruz's comments on the basin prioritization process. We welcome the opportunity to work with DWR staff to address these concerns.

Sincerely,



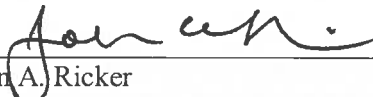
Susan Pearce

Executive Director, Resource Conservation District of Santa Cruz County



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John A. Ricker

Water Resources Division Director, Santa Cruz County